

# HOUSE BILL REPORT

## HB 1846

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**As Reported by House Committee On:**  
Finance

**Title:** An act relating to the clarification of property tax statutes.

**Brief Description:** Clarifying property tax provisions.

**Sponsors:** Representative McIntire; by request of Department of Revenue.

**Brief History:**

**Committee Activity:**

Finance: 2/22/05, 3/7/05 [DPS].

<p><b>Brief Summary of Substitute Bill</b></p> <ul style="list-style-type: none"><li>• Makes administrative changes for property taxes.</li></ul>
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### HOUSE COMMITTEE ON FINANCE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives McIntire, Chair; Hunter, Vice Chair; Orcutt, Ranking Minority Member; Roach, Assistant Ranking Minority Member; Ahern, Conway, Ericksen, Hasegawa and Santos.

**Staff:** Bob Longman (786-7139).

**Background:**

When legislation is enacted, it frequently contains references to other statutes. These references may become erroneous due to changes made to the referenced statutes by other legislation enacted during the same legislative session. In addition, statutes sometimes include provisions that are limited in time. These provisions become obsolete with the passage of time.

No increase in property tax revenue, other than that resulting from the addition of new construction and improvements to property and any increase in the value of state-assessed property, may be authorized by a taxing district other than the state except by adoption of a separate ordinance or resolution, pursuant to notice, specifically authorizing the increase in terms of both dollars and percentage.

Commercial fishing vessels, and vessels engaged in interstate commerce with vessel documentation provided by the United States government, are subject to the state property tax

levy but exempt from local property taxes. All other vessels are entirely exempt from property taxes. For vessels that are subject to property tax, the Department of Revenue collects the tax. There are specific penalty provisions for late payment that only apply to property taxes on these vessels.

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**Summary of Substitute Bill:**

Outdated provisions relating to a forest land compensating tax exemption and an open space additional tax exemption are stricken from statutes. Both provisions expired July 22, 2003.

Statutory cross references in a property tax statute are reordered in Revised Code of Washington section number order.

Statute referring to a November deadline for filing tax district budgets are amended to provide an exception to the deadline for districts with later statutory budget dates.

Statutes directing specific state property tax reductions for the years 1996 and 1998 are repealed.

Several erroneous, omitted, or outdated cross references to other statutes are corrected.

The changes in this bill apply to taxes levied for collection in 2006 and thereafter.

**Substitute Bill Compared to Original Bill:**

The substitute bill deletes provisions relating to exceptions from the property tax revenue limit and penalties for late payment of property taxes on vessels.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect January 1, 2008.

**Testimony For:** The bill is technical in nature. None of the provisions have any fiscal impact. The bill will improve the administration of property taxes.

**Testimony Against:** None.

**Persons Testifying:** Suzanne Mager, Department of Revenue.

**Persons Signed In To Testify But Not Testifying:** None.